

Unofficial Translation

BANK INDONESIA REGULATION  
NUMBER 8/15/PBI/2006  
CONCERNING  
SPECIAL TREATMENT ON BANK CREDIT  
FOR CERTAIN AREAS IN INDONESIA  
HIT BY NATURAL DISASTER

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas natural disaster which has overwhelmed various areas in Indonesia several times generally brought about sufficiently significant loss impact on economic growth in certain areas hit by the natural disaster;
  - b. whereas Indonesia is located on the area so seriously affected by natural disaster that it is able to suffer from the natural disaster;
  - c. whereas one of efforts to support the economic recovery is by the extension of special treatment on Bank credit in a certain amount and restructured credit;
  - d. whereas based on the consideration as referred to in letter a, letter b, and letter c, it is deemed necessary to draw up stipulations on special treatment on bank credit in certain areas hit by natural disaster in a Bank Indonesia Regulation;

In view of ...

- In view of :
1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement of the State Gazette of the Republic Indonesia Number 3472) as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement of the State Gazette of the Republic of Indonesia number 3790);
  2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 3 of 2004 (State Gazette of the Republic of Indonesia Number 7 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4357);

HAS DECREED :

To enact :               SPECIAL TREATMENT ON BANK CREDIT FOR CERTAIN  
AREAS IN INDONESIA HIT BY NATURAL DISASTER

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings.

1. Bank is a Commercial Bank and Rural Credit Bank as referred to in Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998, including a branch of a foreign bank.
2. Credit for Commercial Bank is the provision of funds or claims or those equivalent based on a loan agreement between the Bank and another party requiring the borrowing party to settle its debt after a certain period of time with a payment of interest, including:

a. overdraft, ...

- a. overdraft, namely a negative balance on customer's demand deposit which can not be fully settled at end-day;
  - b. takeover of claims in the framework of factoring;
  - c. takeover or purchase of credit from other party.
3. Credit for Rural Credit Bank is the provision of funds or claims or those equivalent based on a loan agreement between the Bank and another party requiring the borrowing party to settle its debt after a certain period of time with a payment of interest.

## Article 2

- (1) Establishment of the quality of Credit for Commercial Bank and/or other provisions of funds from Bank for debtor customer with a ceiling up to Rp5,000,000,000.00 (five billion rupiah) is only based on punctuality of principal and/or interest payment.
- (2) Establishment method of the quality of Credit for Commercial Bank and/or other provisions of funds as referred to in paragraph (1) refers to applicable Bank Indonesia stipulations.
- (3) Credit ceiling for Commercial Bank and/or other provisions of funds as referred to in paragraph (1) is applicable either for individual debtor or group debtor and for entire facility received from 1 (one) Commercial Bank.
- (4) Establishment of the quality of Credit for Commercial Bank and/or other provisions of funds as referred to in paragraph (1) is applicable for Credit for Commercial Bank and/or other provisions of funds extended either before or after the disaster.
- (5) Establishment of the quality of Credit for Commercial Bank and/or other provision of funds as referred to in paragraph (1) is applicable only for Credit

for Commercial ...

for Commercial Bank and/or other provisions of funds extended to debtor customer of which project or business is located in certain areas hit by the natural disaster for a period of 3 (three) years since the disaster.

- (6) Establishment of the quality of Credit for Rural Credit Bank refers to applicable Bank Indonesia stipulations.

### Article 3

- (1) Quality of restructured Credit for Commercial Bank and Credit for Rural Credit Bank is stated Current since its restructuring up to 3 (three) years after the disaster.
- (2) Implementation of the restructuring of Credit for Commercial Bank and Credit for Rural Credit Bank refers to applicable Bank Indonesia stipulations.
- (3) Restructuring of Credit for Commercial Bank and Credit for Rural Credit Bank as referred to in paragraph (1) may be exercised on credit extended either before or after the disaster.

### Article 4

The stipulation as referred to in Article 3 is applicable only for Credit for Commercial Bank and Credit for Rural Credit Bank meeting requirements as follows.

- a. extended to debtor customer of which project or business is located in certain areas hit by natural disaster;
- b. has or considered potential to meet difficulties in the payment of credit principal and/or interest due to the impact of the natural disaster in certain areas; and
- c. to be restructured after the natural disaster.

### Article 5

#### Article 5

Establishment of the quality of Credit for Commercial Bank and Credit for Rural Credit Bank which are either not restructured or restructured after the period of time as referred to in Article 2 paragraph (5) and Article 3 paragraph (1) refers to applicable Bank Indonesia stipulations.

#### Article 6

Formulation on certain areas hit by natural disaster shall be stipulated later in a Bank Indonesia Decree, considering such aspects as :

- a. width of areas hit by the disaster;
- b. number of casualty;
- c. number of material loss;
- d. number of debtors estimated to suffer impact of the natural disaster;
- e. percentage of the amount of credits extended to debtors suffering from impact of the natural disaster on the amount of credits in the disaster area; and
- f. percentage of the amount of credits with a ceiling up to Rp5,000,000,000.00 (five billion rupiah) on the amount of credits in the area hit by the natural disaster.

#### Article 7

- (1) Bank may extend credit and/or other new provisions of funds for debtor suffering from impact of natural disaster in certain areas in Indonesia hit by the natural disaster.
- (2) Establishment of the quality of credit and/or other new provisions of funds as referred to in paragraph (1) is exercised separately from the quality of credit and/or other previous provisions of funds.

(3) Establishment ...

- (3) Establishment of the quality of Credit for Commercial Bank and/or other new provision of funds as referred to in paragraph (2) is as follows.
  - a. for credit and/or other new provisions of funds with a ceiling up to Rp5,000,000,000.00 (five billion rupiah), the establishment of the quality of credit refers to stipulation as referred to in Article 2 paragraph (1);
  - b. for credit and/or other new provisions of funds with a ceiling higher than Rp5,000,000,000.00 (five billion rupiah), the establishment of the quality of credit refers to applicable Bank Indonesia stipulations.
- (4) Establishment of the quality of Credit for Commercial Bank and/or other provisions of funds as referred to in paragraph (3) letter a is applied only on Credit for Commercial Bank and/or other provisions of funds extended to debtor customer of which project or business is located in certain areas hit by natural disaster for the period of 3 (three) years since the disaster.

#### Article 8

Bank Indonesia may set up ceilings of credit and/or other provisions of funds as referred to in Article 2 paragraph (1) and Article 7 paragraph (3) and different period of time of the establishment of credit quality either restructured or not restructured as referred to in Article 2 paragraph (5), Article 3 paragraph (1), and Article 7 paragraph (4) in a Bank Indonesia Decree considering the condition of the disaster occurring in certain areas.

#### Article 9

Stipulations in this Bank Indonesia Regulation are also applicable for conventional Commercial Bank operating under Shariah Principles, Commercial Bank under Shariah Principles, and Rural Credit Bank under Shariah Principles for the provision

of funds ...

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of funds covering financing (*mudharabah* or *musyarakah*), credit (*murabahah*, *salam*, or *istishna*), rent (*ijarah*), loan (*qardh*), and other provisions of funds.

#### Article 10

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted in Jakarta

Dated October 5, 2006

THE GOVERNOR OF BANK INDONESIA,

BURHANUDDIN ABDULLAH

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 72 OF 2006

DPNP/DPBPR/DPbS

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
NUMBER 8/15/PBI/2006  
CONCERNING  
SPECIAL TREATMENT ON BANK CREDIT  
FOR CERTAIN AREAS IN INDONESIA  
HIT BY NATURAL DISASTER

GENERAL REVIEW

As we know, in recent years some areas of Indonesia were hit by natural disaster, such as earthquake and tsunami in the Province of Nanggroe Aceh Darussalam, Nias Regency and South Nias Regency, earthquake in the Province of Yogyakarta and its surrounding areas in the Province of Central Jawa, and earthquake and tsunami in the environs of the south coast of Jawa island. The impact of this natural disaster may disturb the economy of Indonesia, especially in the areas hit by the disaster. Debtor customers suffering from the impact of the disaster are estimated to face difficulties in the settlement of their liabilities as agreed.

In this relation, Bank Indonesia deems necessary to extend special treatment on bank credit in the form of relaxation in the establishment of credit quality and the extension of new credit to debtors suffering from the impact of the natural disaster.

ARTICLE ...



## ARTICLE BY ARTICLE

### Article 1

Self-explanatory.

### Article 2

#### Paragraph (1)

“Other provisions of funds” are defined as the issuance of guarantee and the opening of letter of credit.

#### Paragraph (2)

Applicable Bank Indonesia stipulations are stipulations on the Examination on Assets Quality for Commercial Banks and stipulations on Assets Quality for Shariah Commercial Banks.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (4)

Self-explanatory.

#### Paragraph (5)

Self-explanatory

#### Paragraph (6)

Applicable Bank Indonesia stipulations are stipulations on Earning Assets Quality and Allowance for Earning Assets Loss for Rural Credit Banks.

Article 3 ...

### Article 3

#### Paragraph (1)

The restructuring of Credit for Commercial Banks and Credit for Rural Credit Banks may be exercised on the whole extended credits.

#### Paragraph (2)

Applicable Bank Indonesia stipulations are stipulations on Assets Quality Examination for Commercial Banks, stipulations on restructuring of Credit for Shariah Commercial Banks, and stipulations on Earning Assets Quality and Allowance for Earning Assets Loss for Rural Credit Bank Banks.

#### Paragraph (3)

Self-explanatory.

### Article 4

Self-explanatory.

### Article 5

Applicable Bank Indonesia stipulations are stipulations on Earning Assets Examination for Commercial Banks, stipulations on Assets Quality for Shariah Commercial Banks, and stipulations on Earning Assets Quality and Allowance for Earning Assets Loss for Rural Credit Banks.

### Article 6

Self-explanatory.

Self-explanatory.

## Article 7

### Paragraph (1)

The extension of credit and/or the new provision of funds are selectively conducted in accord with Bank's credit policy.

### Paragraph (2)

Self-explanatory.

### Paragraph (3)

#### Letter a

"Other provisions of funds" are the issuance of guarantee and opening of letter of credit.

#### Letter b

"Other provisions of funds" are the issuance of guarantee and opening of letter of credit.

Applicable Bank Indonesia stipulations are stipulations on Assets Quality Examination for Commercial Banks and stipulations on Assets Quality for Shariah Commercial Banks.

### Paragraph (4)

Self-explanatory.

## Article 8

Self-explanatory.

Article 9 ...

Article 9

“Other provisions of funds” are the issuance of guarantee and opening of letter of credit.

Article 10

Self-explanatory.